



February 20, 2015

SENATE JOINT RESOLUTION No. 19

DIGEST OF SJ 19 (Updated February 17, 2015 2:43 pm - DI 73)

Citations Affected: The Constitution of the State of Indiana.

Synopsis: Balanced budget amendment. Provides that the total amount of expense appropriations enacted by the general assembly for a budget period may not exceed the estimated revenue of the state during the budget period. Defines "revenue" as all income received by the state and all other state funds, excluding the proceeds of bonds or other loans and the balances and income of any trust funds of the state. Defines "expense" as the ordinary operating costs of state government, including any debt service payments made during the budget period and the costs of actuarially funding the accrued liabilities for employees' pension benefits and fully funding the liability for any cost of living increases or other increases or supplements authorized during the budget period for pension benefits. Specifies that this requirement may be suspended if at least two-thirds of the members of the house of representatives and the senate vote to suspend the requirement. Provides that a state budget must appropriate money for the state's pension funds in the amount necessary to actuarially fund the accrued liability of the state's pension funds and to fully fund the liability for any cost of living increases or other increases or supplements authorized during the budget period for pension benefits.

Effective: This proposed amendment must be agreed to by two consecutive general assemblies and ratified by a majority of the state's voters voting on the question to be effective.

Hershman, Kenley, Holdman, Buck

January 14, 2015, read first time and referred to Committee on Rules & Legislative Procedure.

February 12, 2015, amended; reassigned to Committee on Tax & Fiscal Policy.

February 19, 2015, amended, reported favorably — Do Pass.

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February 20, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE JOINT RESOLUTION No. 19

A JOINT RESOLUTION proposing an amendment to Article 10 of the Constitution of the State of Indiana concerning state fiscal matters.

Be it resolved by the General Assembly of the State of Indiana:

- 1 SECTION 1. The following amendment to the Constitution of the
- 2 State of Indiana is proposed and agreed to by this, the One Hundred
- 3 Nineteenth General Assembly of the State of Indiana, and is referred
- 4 to the next General Assembly for reconsideration and agreement.
- 5 SECTION 2. ARTICLE 10, SECTION 5 OF THE CONSTITUTION
- 6 OF THE STATE OF INDIANA IS AMENDED TO READ AS
- 7 FOLLOWS: Section 5. (a) No law shall authorize any debt to be
- 8 contracted, on behalf of the State, except in the following cases: to
- 9 meet casual deficits in the revenue; to pay the interest on the State
- 10 Debt; to repel invasion, suppress insurrection, or, if hostilities be
- 11 threatened, provide for the public defense.

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(b) The following definitions apply to this section only for purposes of the limits on the State budget under this section:

(1) "Revenue" means all income received by the State and all other State funds, excluding:

(A) the proceeds of bonds or other loans; and

(B) the balances and income of any trust funds of the State.

(2) "Expense" means the ordinary operating costs of State government, including any debt service payments made during the budget period and the costs necessary to:

(A) actuarially fund the accrued liabilities for employees' pension benefits; and

(B) fully fund the liability for any cost of living increases or other increases or supplements authorized during the budget period for pension benefits.

(c) Subject to subsection (d), the total amount of expense appropriations enacted by the General Assembly for a budget period may not exceed the estimated revenue of the State, as determined by law, during the budget period. The requirement under this subsection may be suspended if at least two-thirds of the members of the House of Representatives and at least two-thirds of the members of the Senate vote to suspend the requirement.

(d) This subsection applies if before the end of a budget period it is estimated, as determined by law, that the revenue of the State during the budget period will be less than the amount of expense appropriations enacted for that budget period. If this subsection applies, the total amount of expense appropriations enacted by the General Assembly for the following budget period may not exceed the sum of:

(1) the estimated revenue of the State, as determined by law, during the following budget period; minus

(2) the amount by which the expense appropriations made for the current budget period exceed the estimated revenue of the State in the current budget period.

The requirement under this subsection may be suspended if at least two-thirds of the members of the House of Representatives and at least two-thirds of the members of the Senate vote to suspend the requirement.

(e) A State budget enacted by the General Assembly must appropriate money for the State's pension funds in the amount necessary to:

(1) actuarially fund the accrued liability of all such pension funds during the budget period; and



- 1 **(2) fully fund the liability for any cost of living increases or**
2 **other increases or supplements authorized during the budget**
3 **period for pension benefits.**
4 **(f) All expenses that are expected to be incurred by the State**
5 **during the budget period must be included in the State budget.**
6 **(g) A court that orders a remedy pursuant to any case or**
7 **controversy arising under this section may not order any remedies**
8 **other than a declaratory judgment or such other remedies that are**
9 **specifically authorized by the General Assembly in a law**
10 **implementing this section.**



COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Joint Resolution No. 19, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said joint resolution be AMENDED as follows:

Delete the title and insert the following:

A JOINT RESOLUTION proposing an amendment to Article 10 of the Constitution of the State of Indiana concerning state fiscal matters.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said Joint Resolution be reassigned to the Senate Committee on Tax & Fiscal Policy.

(Reference is to SJR 19 as introduced.)

LONG, Chairperson

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Joint Resolution No. 19, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said resolution be AMENDED as follows:

Page 1, line 7, after "5." insert "(a)".

Page 1, line 7, reset in roman "No law shall authorize any debt to be".

Page 1, reset in roman lines 8 through 10.

Page 1, line 11, reset in roman "threatened, provide for the public defense."

Page 1, line 11, delete "(a)", begin a new paragraph and insert:
"(b)".



Page 2, line 1, delete ":" and insert **"only for purposes of the limits on the State budget under this section:"**.

Page 2, delete lines 6 through 10, begin a new line block indented and insert:

"(2) "Expense" means the ordinary operating costs of State government, including any debt service payments made during the budget period and the costs necessary to:

(A) actuarially fund the accrued liabilities for employees' pension benefits; and

(B) fully fund the liability for any cost of living increases or other increases or supplements authorized during the budget period for pension benefits."

Page 2, line 11, delete "(b)" and insert "(c)".

Page 2, line 11, delete "(c)," and insert "(d),".

Page 2, line 18, delete "(c)" and insert "(d)".

Page 2, line 34, delete "(d)" and insert "(e)".

Page 2, line 36, delete "actuarially fund the accrued liability of all such" and insert ":

(1) actuarially fund the accrued liability of all such pension funds during the budget period; and

(2) fully fund the liability for any cost of living increases or other increases or supplements authorized during the budget period for pension benefits."

Page 2, delete lines 37 through 38.

Page 2, line 39, delete "(e)" and insert "(f)".

Page 2, line 41, delete "(f)" and insert "(g)".

and when so amended that said resolution do pass.

(Reference is to SJR 19 as printed February 13, 2015.)

HERSHMAN

Committee Vote: Yeas 9, Nays 1.

